GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2804
ANSWERED ON:12.12.2006
FDI IN RETAIL
Kumar Shri Shailendra;Prabhu Shri Suresh Prabhakar;Veerendra Kumar Shri M.P.

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) Wether FDI in retail sector has been permitted ;

(b) If so, the details thereof ;

(c) Whether the Government proposes to further liberalise the Foreign Direct Investment in the retail sector ;

(d) If so, the details in this regard ;

(e) Whether the Government also proposes to further liberalise the FDI in other sectors also ;

(f) If so, the details thereof and the time by which a final decision will be taken in this regard ;

(g)Whether such liberalisation will adversely affect the interest of indigenous sectors including Indian Small Retailers;

(h) If so, the details thereof, Sector-wise; and

(i) The steps taken to safeguard the interest of indigenous sectors ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (SHRI ASHWANI KUMAR)

(a)&(b) : Foreign Direct Investment (FDI) is prohibited in retail trade except in Single Brand Product retailing. Government, vide Press Note 3 (2006 Series) dated 10-2-2006 has, allowed Foreign Direct Investment (FDI) up to 51%, with prior Government approval, in the retail trade of 'Single Brand' products subject to the conditions contained in it.

(c)to(f) : FDI policy, including the sectoral equity caps and associated procedures, is revised on a continuous basis.

(g) to(i): FDI is a means to supplement and complement domestic investment for achieving a higher level of economic development, providing opportunities for technological upgradation, access to global managerial skills and practices, optimal utilisation of human and natural resources, making Indian industry internationally competitive, opening up export markets, providing backward and forward linkages and access to international quality goods and services.